

CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1033	Date: AUGUST 18, 2006
	Change Request 5247

Subject: Revise Chapters 22 and 24 to delete references to free downloads of X12 implementation guides adopted as HIPAA standards from Washington Publishing Company (WPC)

I. SUMMARY OF CHANGES: This revision includes clarifications that apply to sections and/or subsections in these chapters that refer to free Implementation Guides (IG's) from Washington Publishing Company (WPC). References regarding "free IG's" originally used by the IOM have been deleted.

New / Revised Material

Effective Date: November 20, 2006

Implementation Date: November 20, 2006

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-Only One Per Row.

R/N/D	Chapter / Section / Subsection / Title
R	22/10/Background
R	24/40.3.1/Electronic Remittance Advice

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.

IV. ATTACHMENTS:

Business Requirements

Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Revise Chapters 22 and 24 to delete references to free downloads of X12 implementation guides adopted as HIPAA standards from Washington Publishing Company (WPC)

I. GENERAL INFORMATION

A. Background: CMS had funded WPC to allow the implementation guides adopted as HIPAA standards to be downloaded without charge to facilitate implementation. Covered entities have had more than 3 years to download the guides. CMS will no longer fund free downloads of the version 4010A1 guides.

B. Policy: References to free implementation guides have been deleted from these chapters.

II. BUSINESS REQUIREMENTS

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5247.1	Contractors shall modify any references on their Web Site(s) to free HIPAA implementation guides from www.wpc-edi.com/HIPAA .	X	X	X	X					
5247.1.1	Contractors shall notify covered entities that the guides may still be ordered at that URL, but there is now a fee.	X	X	X	X					

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
5247.2	A provider education article related to this instruction will be available at www.cms.hhs.gov/MLNMattersArticles shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X	X					

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: November 20, 2006 Implementation Date: November 20, 2006 Pre-Implementation Contact(s): Tom Latella, thomas.latella@cms.hhs.gov (410) 786-1310 Post-Implementation Contact(s): Tom Latella, thomas.latella@cms.hhs.gov (410) 786-1310	No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2007 operating budgets.
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10 - Background

(Rev. 1033, Issued: 08-18-06; Effective/Implementation Dates: 11-20-06)

The FIs, carriers, and Durable Medical Equipment Regional Carriers (DMERCs) send to providers, physicians, and suppliers, as a companion to claim payments, a notice of payment, referred to as the Remittance Advice (RA). RAs explain the payment and any adjustment(s) made. For each claim or line item payment, reduction, or denial, there is an associated remittance advice item. Payment for multiple claims can be reported on one transmission of the remittance advice. RA notices can be produced and transferred in either paper or electronic format.

Carriers and DMERCs also send informational RAs to physicians that do not accept assignment (acceptance of direct Medicare payments instead of billing the patient), unless the beneficiary or physician requests that the remittance notice be suppressed. An informational RA is identical to other RAs, but must carry a standard message to notify physicians that do not accept assignment that they do not have appeal rights beyond those afforded when limitation on liability (rules regulating the amount of liability that an entity can accrue because of medical services which are not covered by Medicare – see Chapter 30) applies. Suppliers that do not accept assignment may not be sent an RA.

In order to implement the Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification provisions for Electronic Remittance Advice (ERA) transactions, the Secretary of Health and Human Services has established an implementation guide for a HIPAA compliant version of the ANSI X12N 835 (Health Care Claim/Payment Advice). An implementation guide is a reference document governing the implementation of an electronic format. It contains all information necessary to use the subject format, e.g., instructions and structures. This HIPAA compliant 835 has been established as a national standard for use by all health plans in the United States, including Medicare FIs, carriers, and DMERCs. Medicare requires the use of this format exclusively for ERAs. Medicare has also established paper formats that must be used by carriers, DMERCs and FIs.

The HIPAA compliant version of the 835 includes some significant changes from earlier versions of the 835 supported by Medicare. See appendix D of the 835 version 4010 implementation guide for a summary of these changes. Implementation guides may be downloaded from <http://www.wpc-edl.com/HIPAA>. In addition, a companion document for contractors and the Shared System Maintainers to explain the business requirements for Medicare following the ANSI X12N Implementation Guide for Transaction 835 Version 4010 is available at http://www.cms.hhs.gov/ElectronicBillingEDITrans/11_Remittance.asp#TopofPage. Click on either the Part A or the Part B Companion Document in the download section of that page.

Anyone wanting to download implementation guides from WPC must set up a user name and password for the WPC site and follow the instructions on the site to setup a new account and download this file.

It is necessary to obtain the A.1 addenda pages that apply as well as the version 4010 implementation guide for the X12 835. These addenda can be obtained at http://wpc-edi.com/HIPAAAddenda_40.asp.

By October 2002, FIs, carriers, and DMERCs had to be able to issue HIPAA compliant 835 version 4010 transactions in production mode to any provider or clearinghouse that requested production data in that version. Effective October 1, 2006, Medicare contractors may not issue any electronic remittance advice transactions that are not X12N 835 version 4010.A.1 compliant.

40.3.1 - Electronic Remittance Advice

(Rev. 1033, Issued: 08-18-06; Effective/Implementation Dates: 11-20-06)

Remittance records must be provided to describe the claims for which payment is made.

- *The FIs must provide the ANSI X12N 835 Transaction Set.*
- *Carriers and DMERC/DME MACs must provide the ANSI X12N 835 Transaction Set.*

HIPAA version implementation guides may be downloaded from <http://www.wpc-edi.com/HIPAA>, or users may phone 1-800-972-4334 to purchase hard copies.